

For Immediate Release



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King County Events Center has significant economic potential

Analysis shows potential for more than \$400 million in annual economic activity and 5,800 jobs statewide

RENTON: A study commissioned by the City of Renton released today shows that the State of Washington will significantly benefit if the proposed King County Events Center is constructed. Berk & Associates conducted the analysis, which shows that economic activity associated with the events center has the potential to drive \$257 million in state general fund revenues over the next 25 years. The City of Renton stands to collect more than \$20 million in taxes over the same time period.

"This conservative analysis demonstrates that the King County Events Center has great economic potential for the State of Washington, King County, and the City of Renton," said Renton Mayor Kathy Keolker. "This study makes a compelling economic argument for building a world-class facility in our community."

"It is important that our elected leaders in Olympia take action to give King County the authority to move forward with this important facility," said King County Executive Ron Sims. "The study released today confirms my belief that that millions of dollars and hundreds of jobs are at stake here—revenue and jobs that will have a ripple effect throughout our region."

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The economic activity associated with the King County Events Center has the potential to reach \$406.4 million each year and support 5,799 jobs, according to the report, which is available on the city's website at rentonwa.gov. In addition, during the three-year construction period, 8,357 people will be put to work.

"The 5,800 ongoing jobs with \$204 million in annual wages puts an exclamation point on the importance of this opportunity for our state," said Rick Bender, president of the Washington State Labor Council. "These jobs, as well as nearly 8,400 direct and indirect construction-related jobs, will make a huge dent in our need to provide family-wage employment for Washington residents."

The King County Events Center has been proposed by the owners of the Seattle Sonics and Storm professional basketball teams to be built in Renton. The 800,000-square-foot facility would not only be home to these teams, but a wide variety of sports, concerts, business meetings, conventions, and community and cultural events. Many of these events are not currently held in the Puget Sound region due to a lack of adequate facilities, or might leave the area entirely if a new facility is not constructed.

The Berk & Associates analysis assumes a core event schedule of 153 events with annual attendance in excess of 1.5 million. Event activity would increase over time to an average annual event schedule of 223 events and 2.5 million annual attendees. This enhanced schedule assumes that a National Hockey League franchise would be added to the schedule by 2015.

The conservative "core schedule" of 153 events is estimated to contribute \$161.3 million in State general fund tax revenue over a 25-year period, which covers the amount the State is being asked to contribute to the project through an extension of sales tax credits already in place for Safeco Field and Qwest Field. The other proposed funding streams include the extension of existing sales taxes on restaurants, car rentals, and hotels in King County.

"These are the same taxes people have been paying in King County since 1995," said Steve Leahy, president and CEO of the Greater Seattle Chamber of Commerce. "This study shows that even under the most conservative estimate, the state can afford to continue these existing funding streams without impacting the general fund. Under the more likely scenario that utilizes the facility to its full capacity, millions of dollars of additional tax revenue will be generated."

The study also considers the potential loss of some of this event activity if the Sonics and Storm leave the state, as well as events such as NCAA tournaments and corporate meetings that are currently not being scheduled in the state due to the lack of an adequate venue.

The economic activity associated with these "at risk" events is significant. For instance, the analysis estimates \$266.8 million per year in fan and participant spending under the full event schedule, 76% of which is "at risk" without the King County Events Center or another similar facility. These "at risk" events also

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represent a significant tourist draw. The analysis estimates that the full schedule will result in more than 1 million visitor days from people outside King County and 296,000 out-of-state visitor days each year.

The analysis does not make assumptions about potential new development the King County Events Center might spark in the City of Renton.

“If the King County Events Center is built, I will need to add another 40 employees at my hotel alone,” said Michael Sanford, general manager of the Holiday Inn in Renton. “This will be a boon to me and to all businesses in Renton.”

Legislation to authorize funding for the King County Events Center is currently being considered by the Legislature. SB 5986/HB 2264 would enable King County to create a public facilities district to develop the proposed events center.

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